

billion that we are spending every year on interest in order that we can ensure that we will have the ability to meet a lot of other pressing needs, whether it be national defense or whether it be education.

As I said earlier, this is in the interest of all of our families because, by paying down the national debt, we are also going to be alleviating the burden on an average family of four today who is paying, in effect, \$3,644 a year to finance that interest.

We had earlier speakers that talked about what it means in terms of mortgage payments. If we paid down the national debt, we are going to see an expected reduction of interest rates of 2 percent, which again means the difference in a monthly mortgage payment of \$155 a month.

When people talk about making a tax cut or providing all of our citizens with a tax cut, I can think of no better tax cut than paying down the national debt because we are, in effect, reducing the burden of this interest payment.

I myself, besides being a Member of Congress, am a farmer. As most farmers, we have to borrow money in order to operate our enterprises. An average operating loan of maybe \$250,000 a year, that 2 percent reduction in interest rate means \$5,000 in the bottom line in profits to a farmer.

When we purchase a new piece of equipment, which are becoming increasingly expensive, an average combine today costing \$200,000, again the benefits of paying down our national debt, which will reduce interest rates, will manifest itself in a total savings on interest on the purchase of one combine of over \$11,000 a year.

So in this Congress, when there is going to be a debate among those who are supporting a policy that the President is advocating of paying down the national debt in order to try to keep this economy on a sound path, in order to ensure that we can see even lower interest rates than we see today, that is a course we should take.

I think we ought to be very cautious in succumbing to the allure of tax cuts which would pose a great jeopardy to the country if they are not paid for by reductions of spending in other components in our budget, because they have the danger of taking us once again down a path that will lead to increased deficits and increased national debt, which will undermine the solvency of our economy and certainly will continue to obligate our families and future generations the responsibility of continuing to pay the carrying cost of our excess spending of today.

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DISCUSSION ON THE SURPLUS

The SPEAKER pro tempore (Mr. BURR of North Carolina). Under a previous order of the House, the gentleman from California (Mr. CUNNINGHAM) is recognized for 5 minutes.

Mr. CUNNINGHAM. Mr. Speaker, there has been a lot of discussion on the surplus, not just how to spend it but how we got here. Different people can take a different view of both, but I would like to point out some actual facts.

First of all, in 1993, the White House under President Clinton, they had the House, the Senate and the White House. They gave us in 1993 what the Democrats called an economic stimulus package, which raised taxes to the highest level ever on the American people, and they state that that brought us the surplus.

I would claim that that is inaccurate. Because in 1995, when the Republicans took over the House and Senate, we rejected over 90 percent of that economic stimulus package. We are not even operating under that stimulus package.

And what did that stimulus package do? It increased the tax on Social Security. It increased the tax on middle-income working families. I do not use the term "middle-class." I do not think there is any such thing as a middle-class citizen. There are middle-income citizens. And for the first time, in 1995 we decreased the amount of tax on Social Security that the 1993 bill did. And when people fill out their tax forms this April, for the first time, they will receive a \$400 deduction per child. Next year that will go to \$500 per child.

They can also receive tax credits. But we repealed the 1993 bill to actually give more dollars back to working Americans instead of the Government itself.

Take a look at welfare reform, when the Democrats said they were responsible for the deficit. First of all, the President vetoed the balanced budget. And I think we can all remember he said, well, it will take two years. It will take four years. It will take six. It will take eight. And finally, after the third time, he came around and signed it and gave us the same Medicare program that they put over \$100 million in ads demonizing the Republicans for and he signed that. But for 40 years they took money out of the Social Security account and paid for welfare.

The President just said in his State of the Union, look, we have less than one half of the welfare rolls that we did before. Now, instead of government having to pay people on welfare and take out of the budget, now the Welfare to Work program, we have people actually working and contributing to the budget and adding to that. That is more money.

The billions of dollars that we gave to welfare recipients, the average, Mr. Speaker, was 16 years, the average, on welfare. That is wrong. All of those savings and the quality of life for those families and for those children that were on welfare is better.

Are there people that need welfare money? Absolutely. And we do not mind giving our tax dollars to that. But 16 years is too much. But yet many of the progressive caucus would just

give more money and more money and more money without managing the program. That is what led a lot to the deficits that we had in the different budgets.

If we take a look at the balanced budget, the balanced budget, according to Alan Greenspan, has lowered interest rates between 2 and 8 percent. Look at what that has done to the markets and the increase in the markets, in the economy. Capital gains reductions paid for itself.

If we take a look at the other tax breaks that we gave to American people so that they spent the dollars, not the government, the surpluses are due because the Republicans gave money back to working people instead of taking it away.

FISCAL DISCIPLINE AND REDUCING NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Ms. HOOLEY) is recognized for 5 minutes.

Ms. HOOLEY of Oregon. Mr. Speaker, Americans now are looking at the longest peacetime expansion of the United States economy since the start of the 20th century. The outlook for our future is rosy. Economic growth is expected to continue to rise, and unemployment is predicted to stay below 5 percent. Inflation is expected to remain low, and it is believed that the interest rates on mortgages and loans will continue to remain attractive.

This booming Federal economy has passed on some benefits to the Federal Government. The most notable are the increased tax revenues and Social Security dollars that result from a fully employed workforce. With this economy, Congress is faced with a new and interesting predicament of deciding what to do with those Social Security surpluses.

If we look only at the short term, we might be tempted to spend those funds on what later generations would call reckless tax cuts. Now, I support cutting taxes and I hope we can find some room this year to do just that. But the American public is more savvy and will not condone irresponsible use of projected budget surpluses.

My constituents, if they retired, would not go out and spend all of their retirement on a new sailboat the day they retired. Well, I think they want us to show that same fiscal restraint and discipline.

While economists are predicting good times ahead, our future also holds a growing number of baby-boomers who will be moving from the work force into retirement. They have paid into Social Security and they should know it will be there for them in the future.

The youngest citizens of our Nation also need to know that we are thinking ahead. If we work to save Social Security and Medicare now and pay down our national debt, we will leave them